



**QIAN HU CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. : 199806124N)

**SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT**

1(a) **INCOME STATEMENT FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2015**

		Group			Group		
		3 months ended 30 Jun		Change	6 months ended 30 Jun		Change
		2015	2014		2015	2014	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		20,026	21,069	(5.0)	40,795	41,767	(2.3)
Cost of sales		(14,273)	(14,770)	(3.4)	(29,263)	(29,266)	(0.0)
<b>Gross profit</b>		<b>5,753</b>	<b>6,299</b>	<b>(8.7)</b>	<b>11,532</b>	<b>12,501</b>	<b>(7.8)</b>
Other income	i	60	28	114.3	118	69	71.0
		<b>5,813</b>	<b>6,327</b>	<b>(8.1)</b>	<b>11,650</b>	<b>12,570</b>	<b>(7.3)</b>
Selling & distribution expenses	ii	(414)	(494)	(16.2)	(727)	(787)	(7.6)
General & administrative expenses	ii	(5,258)	(5,627)	(6.6)	(10,477)	(11,170)	(6.2)
<b>Results from operating activities</b>	iii	<b>141</b>	<b>206</b>	<b>(31.6)</b>	<b>446</b>	<b>613</b>	<b>(27.2)</b>
Financial income	iv	2	4	(50.0)	3	6	(50.0)
Financial expenses	iv	(75)	(64)	17.2	(140)	(126)	11.1
		<b>68</b>	<b>146</b>	<b>(53.4)</b>	<b>309</b>	<b>493</b>	<b>(37.3)</b>
Share of profits of associates		11	19	(42.1)	23	4	475.0
<b>Profit before tax</b>		<b>79</b>	<b>165</b>	<b>(52.1)</b>	<b>332</b>	<b>497</b>	<b>(33.2)</b>
Tax expense	v	(44)	(76)	(42.1)	(97)	(196)	(50.5)
<b>Profit for the period</b>		<b>35</b>	<b>89</b>	<b>(60.7)</b>	<b>235</b>	<b>301</b>	<b>(21.9)</b>
Profit attributable to:							
<b>Equity holders of the Company</b>		<b>12</b>	<b>22</b>	<b>(45.5)</b>	<b>124</b>	<b>137</b>	<b>(9.5)</b>
Non-controlling interests		23	67	(65.7)	111	164	(32.3)
<b>Profit for the period</b>		<b>35</b>	<b>89</b>	<b>(60.7)</b>	<b>235</b>	<b>301</b>	<b>(21.9)</b>
Gross profit margin		28.7%	29.9%		28.3%	29.9%	
Net profit margin		0.2%	0.4%		0.6%	0.7%	
Effective tax rate		68.4%	46.1%		35.2%	37.0%	



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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2015**

	<u>Group</u>			<u>Group</u>		
	<u>3 months ended 30 Jun</u>		<u>Change</u>	<u>6 months ended 30 Jun</u>		<u>Change</u>
	<u>2015</u>	<u>2014</u>		<u>2015</u>	<u>2014</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
<b>Profit for the period</b>	35	89	(60.7)	235	301	(21.9)
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	(425)	(53)	701.9	(179)	(48)	272.9
<b>Other comprehensive income for the period, net of tax</b>	(425)	(53)	701.9	(179)	(48)	272.9
<b>Total comprehensive income for the period</b>	(390)	36	NM	56	253	(77.9)
Total comprehensive income attributable to:						
<b>Equity holders of the Company</b>	<b>(320)</b>	<b>(13)</b>	<b>NM</b>	<b>(39)</b>	<b>97</b>	<b>(140.2)</b>
Non-controlling interests	(70)	49	(242.9)	95	156	(39.1)
<b>Total comprehensive income for the period</b>	<b>(390)</b>	<b>36</b>	<b>NM</b>	<b>56</b>	<b>253</b>	<b>(77.9)</b>

NM: Not Meaningful

**Notes to Income Statement**

(i) **Other income**

Other income comprises:

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Jun</u>		<u>6 months ended 30 Jun</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Gain on disposal of property, plant and equipment	30	5	34	6
Sundry income	30	23	84	63
	<u>60</u>	<u>28</u>	<u>118</u>	<u>69</u>



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**Notes to Income Statement (cont'd)**

(ii) **Selling & distribution expenses**  
**General & administrative expenses**

The operating expenses incurred in the current quarter and for the 1<sup>st</sup> half of 2015 were lower than the corresponding periods in 2014 mainly due to conscientious effort made to contain operating costs, which was in accordance with the Group's objective to be more productive and efficient in the long run.

(iii) **Profit from operations**

This is determined after charging (crediting) the following:

	Group		Group	
	3 months ended 30 Jun	2014	6 months ended 30 Jun	2014
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Auditors' remuneration				
- auditors of the Company	27	24	54	51
- other auditors	2	2	5	4
Non-audit fees				
- other auditors	3	3	3	7
Directors' fees				
- directors of the Company	20	20	40	40
Directors' remuneration				
- directors of the Company	281	279	563	559
- directors of subsidiaries	101	112	212	226
Bad trade receivables written off	17	17	32	33
Depreciation of				
- property, plant and equipment	345	349	706	702
- brooder stocks	47	47	95	95
Property, plant and equipment written off	-	3	-	4
Allowance for (Write back of allowance for)				
- doubtful trade receivables	7	109	144	299
- inventory obsolescence	-	102	(50)	54
Operating lease expenses	285	312	577	625
Personnel expenses *	3,242	3,284	6,663	6,662
Exchange loss (gain), net	71	81	(205)	72
Change in fair value less estimated point-of-sale costs of breeder stocks	-	-	9	10

\* Include directors' remuneration.



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**Notes to Income Statement (cont'd)**

(iv) **Financial income**  
**Financial expenses**

	<b>Group</b>		<b>Group</b>	
	<b>3 months ended 30 Jun</b>		<b>6 months ended 30 Jun</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest expense				
- bank loans and overdrafts	62	50	111	100
- bills payable	4	8	9	14
- finance lease liabilities	9	6	20	12
	<b>75</b>	<b>64</b>	<b>140</b>	<b>126</b>
Interest income				
- bank deposits	(2)	(4)	(3)	(6)
Net financial expenses	<b>73</b>	<b>60</b>	<b>137</b>	<b>120</b>

The increase in net interest expense by approximately 21.7% and 14.2% in the current quarter and for the 1<sup>st</sup> half of 2015 respectively as compared to its corresponding periods in 2014 was mainly due to higher interest rates charged by the financial institutions as well as an increase in the amount of bank borrowings outstanding during the current reporting period.

(v) **Tax expense**

	<b>Group</b>		<b>Group</b>	
	<b>3 months ended 30 Jun</b>		<b>6 months ended 30 Jun</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Current tax				
- current year	54	76	117	184
- (over) under provision in respect of prior years	(10)	-	(20)	12
	<b>44</b>	<b>76</b>	<b>97</b>	<b>196</b>

Despite the tax incentives granted for qualifying expenditures, the effective tax rate registered in the 2<sup>nd</sup> quarter of 2015 and half year ended 30 June 2015 were higher than the amount obtained by applying the statutory tax rate of 17% on profit before tax mainly due to losses incurred by some entities which cannot be offset against profits earned by other companies within the Group and the varying statutory tax rates of the different countries in which the Group operates. In addition, there were higher profit contributions from entities with a higher tax rate.



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1(b)(i) **STATEMENTS OF FINANCIAL POSITION**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
	\$	\$	\$	\$
<b>Equity attributable to equity holders of the Company</b>				
Share capital	30,772,788	30,772,788	30,772,788	30,772,788
Reserves	18,282,216	18,775,333	11,217,646	11,581,698
	<b>49,055,004</b>	<b>49,548,121</b>	<b>41,990,434</b>	<b>42,354,486</b>
<b>Non-Controlling Interests</b>	1,520,606	1,505,172	-	-
<b>Total Equity</b>	<b>50,575,610</b>	<b>51,053,293</b>	<b>41,990,434</b>	<b>42,354,486</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	8,000,806	7,737,925	5,347,103	5,313,275
Brooder stocks	8,460,332	8,555,082	8,460,332	8,555,082
Investments in subsidiaries	-	-	2,295,785	2,295,785
Investment in associate	376,506	353,112	412,600	412,600
Intangible assets	343,048	343,048	343,048	343,048
Other receivables	1,240,000	1,240,000	1,240,000	1,240,000
<b>Current Assets</b>				
Inventories	17,249,670	16,539,943	7,658,178	7,223,770
Breeder stocks	33,540	44,440	33,540	44,440
Trade receivables	25,289,035	25,918,617	19,075,599	19,617,127
Other receivables, deposits and prepayments	6,591,707	6,747,002	4,870,409	5,284,609
Due from				
- subsidiaries (trade)	-	-	7,037,971	6,871,287
- subsidiaries (non-trade)	-	-	1,276,078	1,276,078
- associate (trade)	751,262	651,581	751,262	651,581
Cash and bank balances	7,721,770	8,557,302	4,647,748	5,011,121
	<b>57,636,984</b>	<b>58,458,885</b>	<b>45,350,785</b>	<b>45,980,013</b>
<b>Current Liabilities</b>				
Trade payables	6,721,979	6,388,559	2,866,429	2,738,546
Bills payable to banks (unsecured)	660,664	408,515	598,878	345,986
Other payables and accruals	3,781,406	4,420,092	2,842,414	3,606,202
Due to				
- subsidiaries (trade)	-	-	484,593	147,005
- subsidiaries (non-trade)	-	-	1,045,600	1,304,410
Finance lease liabilities	127,566	132,075	24,695	36,556
Bank term loans	13,254,720	13,295,872	13,000,000	13,000,000
Current tax payable	361,462	424,154	207,457	207,457
	<b>24,907,797</b>	<b>25,069,267</b>	<b>21,070,066</b>	<b>21,386,162</b>
<b>Net Current Assets</b>	<b>32,729,187</b>	<b>33,389,618</b>	<b>24,280,719</b>	<b>24,593,851</b>
<b>Non-Current Liabilities</b>				
Finance lease liabilities	(164,269)	(155,492)	(9,153)	(19,155)
Deferred tax liabilities	(410,000)	(410,000)	(380,000)	(380,000)
<b>Net Assets</b>	<b>50,575,610</b>	<b>51,053,293</b>	<b>41,990,434</b>	<b>42,354,486</b>



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1(b)(i) **STATEMENTS OF FINANCIAL POSITION (cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
Inventory turnover (days)	105	101	76	73
Trade receivables turnover (days)	112	113	145	145
Trade receivables turnover (days) (without GZQH balances)	72	74	75	79
Debt equity ratio	0.50	0.50	0.51	0.51

Note - With the disposal of Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd (“GZQH”), a former subsidiary, in December 2011, the Group’s and the Company’s trade balances with GZQH have been reclassified as trade receivables. Accordingly, it has resulted in a higher trade receivables turnover days.

**Notes to Statements of Financial Position**

(1) The details of subsidiaries are as follows:

<b>Name of subsidiary</b>	<b>Effective equity interest held by the Group</b>		<b>Cost of investment by the Company</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
	<b>%</b>	<b>%</b>	<b>\$</b>	<b>\$</b>
Qian Hu Tat Leng Plastic Pte Ltd (Singapore)	100	100	57,050	57,050
Qian Hu Aquarium and Pets (M) Sdn Bhd and its subsidiary: (Malaysia)	100	100	171,951	171,951
- Qian Hu The Pet Family (M) Sdn Bhd (Malaysia)	100	100	-	-
Beijing Qian Hu Aquarium & Pets Co., Ltd (People's Republic of China)	100	100	171,824	171,824
Shanghai Qian Hu Aquarium and Pets Co., Ltd (People's Republic of China)	100	100	1,086,516	1,086,516
Guangzhou Qian Hu OF Feed Co., Ltd (People's Republic of China)	100	100	126,170	126,170
Qian Hu Marketing Co Ltd (Thailand)	74	74	148,262	148,262
Thai Qian Hu Company Limited and its subsidiary: (Thailand)	60	60	121,554	121,554
- Advance Aquatic Co., Ltd (Thailand)	60	60	-	-
NNTL (Thailand) Limited (Thailand)	49 *	49 *	30,999	30,999
P.T. Qian Hu Joe Aquatic Indonesia (Indonesia)	90	90	381,459	381,459
			<b>2,295,785</b>	<b>2,295,785</b>

\* The Company has voting control at general meetings & Board meetings of NNNTL (Thailand) Limited.



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**Notes to Statements of Financial Position (cont'd)**

(2) The details of associate is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
	\$	\$	\$	\$
Unquoted equity investment	812,600	812,600	812,600	812,600
Less				
Share of post-acquisition losses	(214,315)	(237,709)	-	-
Impairment loss on investment	(221,779)	(221,779)	(400,000)	(400,000)
	<b>376,506</b>	<b>353,112</b>	<b>412,600</b>	<b>412,600</b>

<b>Name of associate</b>	<b>Principal activities</b>	<b>Effective equity held by the Group</b>	
		<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
		%	%
Arcadia Products PLC (United Kingdom)	Manufacture and distribution of aquarium lamps	20	20

The Group recorded an impairment loss relating to its investment in Arcadia Products PLC (“Arcadia”) as the carrying amount of the investment was affected by the depreciation of Sterling Pound (£) against Singapore Dollar (\$S) since its acquisition. The Group will continue to equity account for its share of results in Arcadia.

(3) Intangible assets comprise:

	<b>Group and Company</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
	\$	\$
Trademarks/customer acquisition costs	921,497	921,497
Product listing fees	196,153	196,153
	<b>1,117,650</b>	<b>1,117,650</b>
Less accumulated amortisation	(774,602)	(774,602)
	<b>343,048</b>	<b>343,048</b>

Trademarks/customer acquisition costs relate to costs paid to third parties in relation to the acquisition of trademarks rights and existing customer base of two brands of pet food. Such costs were determined to have indefinite lives and are tested for impairment annually.

Product listing fees relate to cost paid to third parties in relation to the entitlements to list and sell the Company’s products in certain supermarkets, and are amortised over 3 years.



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### **Notes to Statements of Financial Position (cont'd)**

- (4) Other receivables (non-current portion) as at 30 June 2015 consist of the outstanding amounts due from the purchasers of Kim Kang Aquaculture Sdn Bhd (“Kim Kang”) of \$877,500 and the advances extended by the Company to Kim Kang before its disposal of \$362,500, totalling \$1.24 million.

In accordance with the Sale and Purchase Agreement (“SPA”) entered into between the Company and the purchasers of Kim Kang (the “Purchasers”) dated 17 October 2012, the total consideration of \$9.4 million arising from the disposal of Kim Kang is to be satisfied by \$3.9 million in cash and \$5.5 million of brooder stocks. Upon the execution of the SPA, a payment of 10% of the cash consideration, being \$390,000, has been made by the Purchasers, together with the transfer of all brooder stocks. The balance of the cash portion of the consideration of \$3.51 million will be settled in four equal annual instalments, on the first (FY 2013), second (FY 2014), third (FY 2015) and fourth (FY 2016) anniversaries of the SPA date, of \$877,500 each.

In addition, the Company, being a shareholder of Kim Kang previously, had from time to time, given advances to Kim Kang. As at the SPA date, the total amount of the advances extended by the Company to Kim Kang was \$2 million. The Company has entered into an Advances Repayment Agreement dated 17 October 2012, such that upon the execution of the SPA, Kim Kang has repaid \$550,000 of the advances extended by the transfer of 100 pieces of brooder stocks. The balance of the advances of \$1.45 million will be settled in four equal annual instalments, on the first, second, third and fourth anniversaries of the SPA date, of \$362,500 each.

The first instalment in relation to the above, amounting to \$1.24 million, had been fully repaid in October 2013.

For the second instalment due on 17 October 2014, the Purchasers (“Mortgagor”) had offered a piece of land parcel situated in Batu Pahat (“Property”) as collateral for an extension of time till 31 March 2015 to repay the outstanding amount due of \$1.24 million. In the event that the Mortgagor failed to repay the outstanding amount due by 31 March 2015, the Property would be transferred to the Company (“Mortgagee”) and the Mortgagee would be entitled to have the Property sold and to realise and receive the outstanding amount due out of the net sale proceeds of the Property.

As at 30 June 2015, the Mortgagee is in the process of taking over the Property from the Mortgagor as deemed repayment of the outstanding amount due since no cash payment was received as at 31 March 2015. The Mortgagee intends to dispose of the Property for cash upon the completion of the transfer. It will also explore the various alternatives in utilising the Property while awaiting for it to be disposed. Based on an independent valuation exercise performed in September 2014, the market value of the Property is considerably higher than the outstanding amount due from the Mortgagor as at balance sheet date. As such, we do not foresee any collectability issue in relation to the receivables due.





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**Notes to Statements of Financial Position (cont'd)**

(5) Inventories comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
	\$	\$	\$	\$
Fish	3,640,856	3,706,347	2,708,964	2,673,101
Accessories	13,089,929	12,469,341	5,274,214	4,925,669
Plastics products - raw materials	380,741	299,332	-	-
Plastics products - finished goods	556,934	533,713	-	-
	<b>17,668,460</b>	<b>17,008,733</b>	<b>7,983,178</b>	<b>7,598,770</b>
Less allowance for inventory obsolescence	(418,790)	(468,790)	(325,000)	(375,000)
	<b>17,249,670</b>	<b>16,539,943</b>	<b>7,658,178</b>	<b>7,223,770</b>

The increase in accessories inventory balance as at 30 June 2015 was mainly due to higher stock holding in relation to the new innovative accessories products launched in the current financial year.

(6) Trade receivables comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
	\$	\$	\$	\$
Trade receivables	28,143,334	28,634,479	21,836,380	22,240,593
Less allowance for doubtful trade receivables	(2,854,299)	(2,715,862)	(2,760,781)	(2,623,466)
	<b>25,289,035</b>	<b>25,918,617</b>	<b>19,075,599</b>	<b>19,617,127</b>

Our conscientious effort made in monitoring and collection of trade receivables balances has resulted in the decrease in the amount of trade receivables as at 30 June 2015. The trade receivables turnover days have remained relatively consistent for both reporting periods.

The Group and the Company have reclassified their trade balances with GZQH, a former subsidiary, as trade receivables following the disposal in December 2011. The recoverability of the amount due from GZQH is guaranteed by a major shareholder of the Company.



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**Notes to Statements of Financial Position (cont'd)**

- (7) Other receivables, deposits and prepayments comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
	\$	\$	\$	\$
Other receivables	2,815,920	2,748,572	2,654,658	2,648,327
Deposits	430,694	353,735	126,540	77,520
Prepayments	770,354	751,682	217,896	313,410
Advances to suppliers	1,909,829	2,354,421	1,765,462	2,230,636
Deposits for purchase of property, plant and equipment	632,600	523,241	105,853	14,716
Tax recoverable	32,310	15,351	-	-
	<b>6,591,707</b>	<b>6,747,002</b>	<b>4,870,409</b>	<b>5,284,609</b>

Other receivables (current portion) as at 30 June 2015 consist of the outstanding amounts due from the purchasers of Kim Kang of \$1,755,000 (31/12/14: \$1,755,000) and the advances extended by the Company to Kim Kang before its disposal of \$725,000 (31/12/14: \$725,000), totalling \$2.48 million (31/12/14: \$2.48 million).

- (8) The increase in amount due from associate as at 30 June 2015 was mainly due to higher trade activities with the associate in the current quarter.
- (9) The increase in trade payables and bills payable as at 30 June 2015 was a result of the increase in purchases of accessories inventory, coupled with the extended credit terms granted by our regular suppliers for purchases made during the financial period.
- (10) Other payables and accruals comprise:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
	\$	\$	\$	\$
Accrued operating expenses	376,275	290,670	273,551	185,923
Accrued staff costs	962,589	1,668,803	556,596	1,326,128
Other payables	2,148,974	2,071,464	1,829,155	1,811,409
Advance received from customers	293,568	389,155	183,112	282,742
	<b>3,781,406</b>	<b>4,420,092</b>	<b>2,842,414</b>	<b>3,606,202</b>

The decrease in other payables and accruals as at 30 June 2015 was mainly due to the reduction of accrued staff costs as a result of bonus payment made in January 2015.



## QIAN HU CORPORATION LIMITED

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### 1(b)(ii) GROUP BORROWINGS

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun 2015</u>	<u>31 Dec 2014</u>	<u>30 Jun 2015</u>	<u>31 Dec 2014</u>
	\$	\$	\$	\$
Term loans				
- short-term (unsecured)	13,000,000	13,000,000	13,000,000	13,000,000
- long-term (secured)	254,720	295,872	-	-
	<u>13,254,720</u>	<u>13,295,872</u>	<u>13,000,000</u>	<u>13,000,000</u>

The unsecured short-term loans are revolving bank loans that bear interest at rates ranging from 1.63% to 1.85% (31/12/2014: 1.28% to 1.78%) per annum and are repayable within the next 12 months from the reporting date.

The long-term loan is a bank loan of Baht 8.0 million, drawdown by a subsidiary, secured by a mortgage on the subsidiary's freehold land and is callable on demand. It bears interest at 6.75% (31/12/2014: 6.75%) per annum and is payable in 50 monthly instalments commencing September 2014.

As at 30 June 2015, there were corporate guarantees given by the Company to financial institutions for banking facilities extended to subsidiaries amounting to approximately \$1.8 million (31/12/2014: \$1.8 million).



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1(c) **STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED**  
**30 JUNE 2015**

	Group		Group	
	3 months ended 30 Jun 2015	2014	6 months ended 30 Jun 2015	2014
	\$	\$	\$	\$
<b>Cash flows from operating activities</b>				
Profit before tax	78,926	165,011	331,895	497,119
Adjustments for:				
Bad trade receivables written off	17,324	17,155	32,331	33,374
Depreciation of				
- property, plant and equipment	344,881	348,890	706,015	702,121
- brooder stocks	47,375	47,375	94,750	94,750
Gain on disposal of property, plant and equipment	(29,595)	(5,440)	(34,059)	(6,088)
Property, plant and equipment written off	-	3,227	-	3,728
Change in fair value less estimated point-of-sale costs of breeder stocks	-	-	8,600	10,250
Allowance for (Write back of allowance for)				
- doubtful trade receivables	6,952	109,226	143,544	298,999
- inventory obsolescence	-	102,000	(50,000)	54,000
Share of profits of associates	(11,530)	(18,444)	(23,394)	(3,639)
Interest expense	75,076	64,097	140,314	126,214
Interest income	(2,386)	(4,064)	(3,379)	(6,368)
<b>Operating profit before working capital changes</b>	527,023	829,033	1,346,617	1,804,460
(Increase) Decrease in:				
Inventories	(6,487)	(1,512,835)	(683,488)	(1,177,807)
Breeder stocks	500	900	2,300	(5,940)
Trade receivables	(16,625)	76,203	382,658	700,841
Other receivables, deposits and prepayments	81,547	38,184	129,534	(331,364)
Due from associate (trade)	(219,512)	(267,125)	(99,681)	(249,360)
Increase (Decrease) in:				
Trade payables	(178,515)	1,183,905	354,643	1,058,849
Bills payable to banks	230,734	41,284	255,779	86,634
Other payables and accruals	68,755	76,965	(626,369)	(59,297)
<b>Cash generated from operating activities</b>	487,420	466,514	1,061,993	1,827,016
Tax paid	(133,210)	(149,288)	(175,913)	(222,613)
<b>Net cash from operating activities</b>	354,210	317,226	886,080	1,604,403
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(354,527)	(353,963)	(943,215)	(751,954)
Proceeds from disposal of property, plant and equipment	29,550	5,431	35,130	7,046
Interest received	2,386	4,064	3,379	6,368
<b>Net cash used in investing activities</b>	(322,591)	(344,468)	(904,706)	(738,540)



**QIAN HU CORPORATION LIMITED**  
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1(c) **STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2015 (cont'd)**

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Jun</u>	<u>30 Jun</u>	<u>6 months ended 30 Jun</u>	<u>30 Jun</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	\$	\$	\$	\$
<b>Cash flows from financing activities</b>				
Drawdown of bank term loans	-	1,500,000	-	1,500,000
Repayment of				
- finance lease liabilities	(35,294)	(34,062)	(72,224)	(76,718)
- bank term loans	(17,904)	-	(38,208)	(1,000,000)
- advance from a major shareholder of the Company	-	(500,000)	-	(500,000)
Payment of dividends to				
- equity holders of the Company	(454,106)	(454,106)	(454,106)	(454,106)
- non-controlling shareholder of a subsidiary	(79,600)	-	(79,600)	(154,000)
Interest paid	(75,076)	(64,738)	(139,573)	(127,270)
<b>Net cash (used in) from financing activities</b>	<b>(661,980)</b>	<b>447,094</b>	<b>(783,711)</b>	<b>(812,094)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(630,361)</b>	<b>419,852</b>	<b>(802,337)</b>	<b>53,769</b>
Cash and cash equivalents at beginning of period	8,492,535	6,336,505	8,557,302	6,712,349
Effect of exchange rate changes on cash balances held in foreign currencies	(140,404)	(21,469)	(33,195)	(31,230)
<b>Cash and cash equivalents at end of period</b>	<b>7,721,770</b>	<b>6,734,888</b>	<b>7,721,770</b>	<b>6,734,888</b>

**Notes to Statement of Cash Flows**

- (i) The decrease in **net cash from operating activities** for the 1<sup>st</sup> half of 2015 as compared to its corresponding period in 2014 was mainly due to the lower profit generated during the current quarter being deployed into inventory purchases and the settlement of other payables and accruals.

**Net cash used in investing activities** was mainly related to capital expenditure incurred for on-going enhancement to the infrastructure and farm facilities in Singapore and overseas.

**Net cash used in financing activities** was mainly related to the payment of dividends to the non-controlling shareholder of a subsidiary and the settlement of finance lease liabilities on a monthly basis, as well as the servicing of interest payments. In addition, there was payment of final dividend made to the shareholders of the Company in April 2015.



**QIAN HU CORPORATION LIMITED**  
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1(d)(i) **STATEMENTS OF CHANGES IN EQUITY**

Group	Equity attributable to equity holders of the Company				Non-Controlling interests	Total Equity
	Share capital	Accumulated profits	Currency translation reserve	Total		
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 Jan 2014</b>	30,772,788	19,466,582	(730,156)	49,509,214	1,485,309	50,994,523
<b>Total comprehensive income for the year</b>						
Profit for the year	-	391,881	-	391,881	300,528	692,409
<b>Other comprehensive income</b>						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	101,132	101,132	57,015	158,147
Total other comprehensive income	-	-	101,132	101,132	57,015	158,147
Total comprehensive income for the year	-	391,881	101,132	493,013	357,543	850,556
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Payment of first and final dividend	-	(454,106)	-	(454,106)	-	(454,106)
Payment of dividend to non-controlling shareholder of a subsidiary	-	-	-	-	(337,680)	(337,680)
Total transactions with owners	-	(454,106)	-	(454,106)	(337,680)	(791,786)
<b>Balance at 31 Dec 2014</b>	30,772,788	19,404,357	(629,024)	49,548,121	1,505,172	51,053,293
<b>Total comprehensive income for the period</b>						
Profit for the period	-	124,335	-	124,335	110,924	235,259
<b>Other comprehensive income</b>						
Translation differences relating to financial statements of foreign subsidiaries, net of tax	-	-	(163,346)	(163,346)	(15,890)	(179,236)
Total other comprehensive income	-	-	(163,346)	(163,346)	(15,890)	(179,236)
Total comprehensive income for the period	-	124,335	(163,346)	(39,011)	95,034	56,023
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Payment of first and final dividend	-	(454,106)	-	(454,106)	-	(454,106)
Payment of dividend to non-controlling shareholder of a subsidiary	-	-	-	-	(79,600)	(79,600)
Total transactions with owners	-	(454,106)	-	(454,106)	(79,600)	(533,706)
<b>Balance at 30 Jun 2015</b>	30,772,788	19,074,586	(792,370)	49,055,004	1,520,606	50,575,610



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1(d)(i) **STATEMENTS OF CHANGES IN EQUITY (cont'd)**

Company	Share capital \$	Accumulated profits \$	Currency translation reserve \$	Total \$
<b>Balance at 1 Jan 2014</b>	30,772,788	11,574,672	(26,493)	42,320,967
<b>Total comprehensive income for the year</b>				
Profit for the year	-	496,520	-	496,520
<b>Other comprehensive income</b>				
Translation differences relating to financial statements of foreign operations, net of tax	-	-	(8,895)	(8,895)
Total other comprehensive income	-	-	(8,895)	(8,895)
Total comprehensive income for the year	-	496,520	(8,895)	487,625
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Payment of first and final dividend	-	(454,106)	-	(454,106)
Total transactions with owners	-	(454,106)	-	(454,106)
<b>Balance at 31 Dec 2014</b>	30,772,788	11,617,086	(35,388)	42,354,486
<b>Total comprehensive income for the period</b>				
Profit for the period	-	96,494	-	96,494
<b>Other comprehensive income</b>				
Translation differences relating to financial statements of foreign operations, net of tax	-	-	(6,440)	(6,440)
Total other comprehensive income	-	-	(6,440)	(6,440)
Total comprehensive income for the period	-	96,494	(6,440)	90,054
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Payment of first and final dividend	-	(454,106)	-	(454,106)
Total transactions with owners	-	(454,106)	-	(454,106)
<b>Balance at 30 Jun 2015</b>	30,772,788	11,259,474	(41,828)	41,990,434

1(d)(ii) **CHANGES IN COMPANY'S SHARE CAPITAL**

Share capital	Number of shares	\$
<b>Ordinary shares issued and fully paid</b>		
Balance as at 1 Jan 2015 and 30 Jun 2015	454,106,350	30,772,788

There was no movement in the issued and paid-up capital of the Company since 31 December 2014.



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1(d)(ii) **CHANGES IN COMPANY'S SHARE CAPITAL (cont'd)**

On 5 May 2015, the Company announced that it is proposing to undertake a share consolidation exercise to consolidate every four existing ordinary shares of the Company held by the shareholders into one new consolidated share (the "Proposed Share Consolidation"), so as to comply with the Minimum Trading Price ("MTP") requirement as implemented by the SGX-ST as an additional continuing listing requirement. The Proposed Share Consolidation is subject to shareholders' approval at an Extraordinary General Meeting to be held on 21 July 2015.

There were no outstanding convertibles as at 30 June 2015 (30/6/2014: Nil).

The Company did not hold any treasury shares as at 30 June 2015 (30/6/2014: Nil). There were no sale, transfer, disposal, cancellation and use of treasury shares during the six months ended 30 June 2015.

1(e) **NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the second quarter and half year ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**KENNY YAP KIM LEE**  
Executive Chairman and  
Managing Director

**ALVIN YAP AH SENG**  
Deputy Managing Director

Singapore  
16 July 2015

2 **AUDIT**

The financial statements have not been audited or reviewed by the Company's auditors.

3 **AUDITORS' REPORT**

Not applicable

4 **ACCOUNTING POLICIES**

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which took effect from the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2014.





**QIAN HU CORPORATION LIMITED**  
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5 **CHANGES IN ACCOUNTING POLICIES**

The adoption of the new and revised FRSs is assessed to have no material impact to the results of the Group and of the Company for the year ending 31 December 2015.

6 **EARNINGS PER ORDINARY SHARE (EPS)**

	<u>Group</u>		<u>Group</u>	
	<u>3 months ended 30 Jun</u>	<u>2014</u>	<u>6 months ended 30 Jun</u>	<u>2014</u>
	<u>2015</u>		<u>2015</u>	<u>2014</u>
Earnings Per Ordinary Share (based on consolidated net profit attributable to equity holders)				
- on weighted average number of ordinary shares on issue (cents)	0.01	-	0.03	0.03
- on a fully diluted basis (cents)	0.01	-	0.03	0.03

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the period of 454,106,350 (30/6/2014: 454,106,350).

There is no difference between the basic and diluted earnings per share.

7 **NET ASSET VALUE PER SHARE**

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun 2015</u>	<u>31 Dec 2014</u>	<u>30 Jun 2015</u>	<u>31 Dec 2014</u>
Net asset value per share based on existing issued share capital as at the respective dates (cents)	11.14	11.24	9.25	9.33

Net asset value per share is computed based on the number of shares in issue as at 30 June 2015 of 454,106,350 (31/12/2014: 454,106,350).

8 **REVIEW OF GROUP PERFORMANCE**

(a) **Revenue**

**6 months 2015 vs 6 months 2014**

	<u>Group</u>		<u>Increase (Decrease)</u>	
	<u>6 months ended 30 Jun</u>	<u>2014</u>	<u>\$'000</u>	<u>%</u>
	<u>2015</u>	<u>2014</u>		
	<u>\$'000</u>	<u>\$'000</u>		
Fish	16,798	18,310	(1,512)	(8.3)
Accessories	18,405	18,250	155	0.8
Plastics	5,592	5,207	385	7.4
	<u>40,795</u>	<u>41,767</u>	<u>(972)</u>	<u>(2.3)</u>

For the 6 months ended 30 June 2015, the ornamental fish and accessories activities continued to be our core business segments, which together accounted for 86.3% of the total revenue. Our revenue decreased by approximately \$1.0 million or 2.3% from \$41.8 million for the 6 months ended 30 June 2014 to \$40.8 million for the 6 months ended 30 June 2015.

On a geographical basis, revenue from Singapore and overseas dipped by approximately 2.2% and 2.4% respectively in the 1<sup>st</sup> half of 2015 as compared to its corresponding period in 2014.



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### 8 REVIEW OF GROUP PERFORMANCE (cont'd)

#### (a) Revenue (cont'd)

##### 2Q 2015 vs 2Q 2014

	<u>Group</u>		<u>Increase</u>	
	<u>2Q</u>	<u>2Q</u>	<u>(Decrease)</u>	
	<u>2015</u>	<u>2014</u>	<u>\$'000</u>	<u>%</u>
	<u>\$'000</u>	<u>\$'000</u>		
Fish	7,770	9,185	(1,415)	(15.4)
Accessories	9,389	9,347	42	0.4
Plastics	2,867	2,537	330	13.0
	<u>20,026</u>	<u>21,069</u>	<u>(1,043)</u>	<u>(5.0)</u>

##### Fish

The reduction in our ornamental fish revenue by approximately \$1.4 million or 15.4% in the 2<sup>nd</sup> quarter of 2015, as compared to its corresponding period in 2014, was mainly due to the persistent sluggish global economy. As the Eurozone continues to struggle to resolve its long unsettled crisis, such as the financial glitches surrounding Greece, it has affected the purchasing sentiments of our European customers. In addition, our ornamental fish export to Russia has steadily decreased as sanctions and falling oil prices take a toll on the Russian economy. The existing prolonged recession in Europe, which is unprecedented, has a negative impact on our ornamental fish revenue as more than 20% of the Group's ornamental fish business is derived from European countries.

In order to mitigate these setbacks, moving forward, we will strive to sustain our export of ornamental fish to diversify customers and countries around the world from our export hubs in Singapore, Malaysia, Thailand and Indonesia, while awaiting market conditions to improve in order to seize the opportunities when relevant.

##### Accessories

Revenue from accessories business remained relatively consistent in the current quarter, comparable to that of its corresponding period in 2014.

##### Plastics

Since the beginning of the previous financial year, the revenue contribution from our plastics business was affected by a temporary reduction in market demand as a result of the upward revision in selling prices of our plastic products in view of the increase in raw material prices then. With the stabilisation of market selling prices, we saw gradual resumption in demand of our plastic products since the 2<sup>nd</sup> half of 2014.



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8 **REVIEW OF GROUP PERFORMANCE (cont'd)**

(a) **Revenue (cont'd)**

**2Q 2015 vs 1Q 2015**

	<b>Group</b>		<b>Increase</b>	
	<b>2Q</b>	<b>1Q</b>	<b>(Decrease)</b>	
	<b>2015</b>	<b>2015</b>	<b>\$'000</b>	<b>%</b>
	<b>\$'000</b>	<b>\$'000</b>		
Fish	7,770	9,028	(1,258)	(13.9)
Accessories	9,389	9,016	373	4.1
Plastics	2,867	2,725	142	5.2
	<b>20,026</b>	<b>20,769</b>	<b>(743)</b>	<b>(3.6)</b>

Although the revenue from our accessories and plastics activities registered stable quarter-on-quarter growth of 4.1% and 5.2% respectively, the slide in our ornamental fish revenue by approximately \$1.3 million or 13.9% had resulted in an overall reduction in revenue by \$0.7 million or 3.6% in the current quarter as compared to the previous quarter.

**Fish**

Moving into 2<sup>nd</sup> quarter of 2015, we saw a plunge in our ornamental fish revenue contribution by approximately \$1.3 million or 13.9% as compared to the previous quarter. This was mainly due to the purchasing sentiments of our European customers being compelled by its sluggish economy. In addition, our ornamental fish export to Russia has steadily decreased as sanctions and falling oil prices take a toll on the Russian economy.

**Accessories**

During the 2<sup>nd</sup> quarter of 2015, our accessories export business continued its leverage on the Group's existing overseas distribution bases & network and infrastructure available to explore more untapped markets with growth potential. The increase in revenue contribution registered by this business segment of approximately \$0.4 million or 4.1% in the current quarter as compared to the previous quarter was mainly a result of a difference in sales mix, as well as our conscientious efforts made to focus on selling more of our proprietary brand of innovative products.

**Plastics**

Revenue from our plastic activities preserved its growth momentum into the 2<sup>nd</sup> quarter of 2015. The increase in plastic revenue on a quarter-on-quarter basis was mainly as a result of the gradual resumption in demand of our plastic products since the 2<sup>nd</sup> half of 2014 with the stabilisation of market selling prices as mentioned earlier.



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8 **REVIEW OF GROUP PERFORMANCE (cont'd)**

(b) **Profitability**

**6 months 2015 vs 6 months 2014**

	<b>Group</b>		<b>Increase (Decrease)</b>	
	<b>6 months ended 30 Jun</b>			
	<b>2015</b>	<b>2014</b>	<b>\$'000</b>	<b>%</b>
Fish	396	543	(147)	(27.1)
Accessories	692	820	(128)	(15.6)
Plastics	385	214	171	79.9
Unallocated corporate expenses	(1,141)	(1,080)	(61)	(5.6)
	<b>332</b>	<b>497</b>	<b>(165)</b>	<b>(33.2)</b>

In line with the lower revenue contribution, our operating profit decreased by approximately \$0.2 million or 33.2% in the 2<sup>nd</sup> quarter of 2015 as compared to its corresponding period in 2014, mainly due to the reduction in profit generated from our core business segments.

**2Q 2015 vs 2Q 2014**

	<b>Group</b>		<b>Increase (Decrease)</b>	
	<b>2Q</b>			
	<b>2015</b>	<b>2014</b>	<b>\$'000</b>	<b>%</b>
Fish	84	239	(155)	(64.9)
Accessories	367	382	(15)	(3.9)
Plastics	204	81	123	151.9
Unallocated corporate expenses	(576)	(537)	(39)	(7.3)
	<b>79</b>	<b>165</b>	<b>(86)</b>	<b>(52.1)</b>

**Fish**

Although our ornamental fish export business continued to generate respectable profit margins, the plunge in revenue contribution as a result of the economic predicament and the political turmoil in Europe, as mentioned earlier, has resulted in a dive in its profitability by approximately \$0.2 million or 64.9% in the 2<sup>nd</sup> quarter of 2015 as compared to its corresponding period in 2014.

**Accessories**

Notwithstanding the consistent revenue contribution from our accessories export business registered in the 2<sup>nd</sup> quarter of 2015, the marginal reduction in operating profit as compared to the corresponding period in 2014 was mainly due to the difference in sales mix, as well as our on-going efforts to capture more sales, which had affected the profit margin of our accessories business in the current quarter.

**Plastics**

The higher revenue registered by the plastic business, coupled with the improved profit margins following the stabilisation of both the raw material prices as well as the selling prices of our plastic products had given rise to the improvement in profit contribution in the 2<sup>nd</sup> quarter of 2015, as compared to the corresponding period in 2014.

**Unallocated corporate expenses**

These were staff costs and administrative expenses incurred in relation to the overseeing of both the Group's local and overseas operations.



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### 8 REVIEW OF GROUP PERFORMANCE (cont'd)

#### (b) Profitability (cont'd)

##### 2Q 2015 vs 1Q 2015

	Group		Increase	
	2Q 2015	1Q 2015	(Decrease)	
	\$'000	\$'000	\$'000	%
Fish	84	312	(228)	(73.1)
Accessories	367	325	42	12.9
Plastics	204	181	23	12.7
Unallocated corporate expenses	(576)	(565)	(11)	(1.9)
	<u>79</u>	<u>253</u>	<u>(174)</u>	<u>(68.8)</u>

##### Fish

The decline in profitability from our ornamental fish business in the 2<sup>nd</sup> quarter of 2015 as compared to the previous quarter was in line with the lower revenue contribution from our export business due to reasons as mentioned earlier.

##### Accessories

The better profit yielded from our accessories activities were in accordance with the steady increase in revenue from 1<sup>st</sup> quarter 2015 to 2<sup>nd</sup> quarter of 2015.

##### Plastics

As mentioned earlier, the increase in profitability from the plastics segment in the 2<sup>nd</sup> quarter of 2015 by 12.7% quarter-to-quarter was a result of the higher revenue registered, coupled with the improved profit margins following the stabilisation of the raw material prices.

### 9 VARIANCE FROM PROSPECT STATEMENT

There is no variance from the previous prospect statement.

### 10 PROSPECTS

The prospects of our Group are:

- to be the world's Number 1 ornamental fish exporter;
- to improve productivity using technology and automation;
- to widen our distribution network and strengthen our market capability;
- to reinforce our commitment in research & development ("R&D") and enhance growth by means of innovation; and
- to build a company that last through generations.

The above-mentioned prospects of the Group were announced in detail in our Full Year Financial Statements and Dividend Announcement dated 12 January 2015.



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### 10 PROSPECTS (cont'd)

**Our business model remains robust and the diversity of our business has put us in good standing. We will be more aggressive in the strengthening of our fundamentals and financial positions as well as in enhancing our ability to generate cash. In addition, we will continue to leverage on innovation and advance technology to transform Qian Hu into a next generation ornamental fish company with a strong pipeline of new innovative accessories products. We believe that by doing so, it will enable Qian Hu to be more resilient and sustainable in the long run. Barring any unforeseen circumstances, the Group will continue to grow its revenue and be profitable in the current financial year.**

### 11 DIVIDEND

No interim dividend for the quarter ended 30 June 2015 is recommended.

### 12 INTERESTED PERSON TRANSACTIONS

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

During the financial period, there were interested person transactions based on terms agreed between the parties as follows:-

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun 2015</u>	<u>30 Jun 2014</u>	<u>30 Jun 2015</u>	<u>30 Jun 2014</u>
	\$	\$	\$	\$
Fees paid to a company in which a director has an interest	8,600	8,500	8,600	8,500
Guarantee fee paid to a major shareholder of the Company *	21,600	23,680	21,600	23,680
Consultancy fees paid to a company in which a director has a substantial interest	8,300	8,300	8,300	8,300

*\* The Group and the Company are charged a guarantee fee of 0.5% per annum on the average balance of the outstanding amounts due from GZQH, a former subsidiary. The guarantee fee is payable to a major shareholder of the Company, for guaranteeing the payment of the outstanding amounts.*

Except for the above, there was no other interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or by the Company during the second quarter and the half year ended 30 June 2015.



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13 **SEGMENT INFORMATION**

(a) **Business segments**

The Group's operating segments are its strategic business units which offer different products and are managed separately. The reportable segment presentation is based on the Group's management and internal reporting structure used for its strategic decision-making purposes.

The Group's activities comprise the following reportable segments:

- (i) Fish - includes fish farming, breeding, distribution and trading of ornamental fish;
- (ii) Accessories - includes manufacturing and distribution of aquarium and pet accessories;
- (iii) Plastics - includes manufacturing and distribution of plastic bags; and
- (iv) Others - includes Corporate Office and consolidation adjustments which are not directly attributable to a particular business segment above.

Group	6 months ended 30 Jun 2015				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
<b>Revenue</b>					
External revenue	16,798	18,405	5,592	-	40,795
Inter-segment revenue	843	3,544	142	(4,529)	-
<b>Total Revenue</b>	<b>17,641</b>	<b>21,949</b>	<b>5,734</b>	<b>(4,529)</b>	<b>40,795</b>
<b>Results</b>					
EBITDA *	899	929	449	(1,030)	1,247
Depreciation and amortisation	(490)	(248)	(63)	-	(801)
Interest expense	(15)	(13)	(1)	(111)	(140)
Interest income	2	1	-	-	3
	396	669	385	(1,141)	309
Share of profit of associate	-	23	-	-	23
Profit before tax	396	692	385	(1,141)	332
Tax expense	(76)	(21)	-	-	(97)
<b>Profit for the period</b>	<b>320</b>	<b>671</b>	<b>385</b>	<b>(1,141)</b>	<b>235</b>
<b>Net profit margin</b>	<b>1.9%</b>	<b>3.6%</b>	<b>6.9%</b>		<b>0.6%</b>
<b>Assets and Liabilities</b>					
Segment assets	31,314	38,053	3,647	3,044	76,058
Investment in associate	-	377	-	-	377
Segment liabilities	4,873	5,577	1,652	13,380	25,482
<b>Other Segment Information</b>					
Expenditures for non-current assets **	597	345	84	-	1,026
Other non-cash items:					
Bad trade receivables written off	23	9	-	-	32
Gain on disposal of property, plant and equipment	-	(31)	(3)	-	(34)
Allowance for (Write back of allowance for)					
- doubtful trade receivables	137	7	-	-	144
- inventory obsolescence	-	(50)	-	-	(50)
Change in fair value less estimated point-of-sale costs of breeder stocks					
	9	-	-	-	9

\* EBITDA – Earnings Before Interest, Taxation, Depreciation and Amortisation.

\*\* This includes capital expenditure and additions to other non-current assets.



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13 **SEGMENT INFORMATION (cont'd)**

(a) **Business segments (cont'd)**

Group	6 months ended 30 Jun 2014				
	Fish \$'000	Accessories \$'000	Plastics \$'000	Others \$'000	Total \$'000
<b>Revenue</b>					
External revenue	18,310	18,250	5,207	-	41,767
Inter-segment revenue	811	3,059	78	(3,948)	-
<b>Total Revenue</b>	<b>19,121</b>	<b>21,309</b>	<b>5,285</b>	<b>(3,948)</b>	<b>41,767</b>
<b>Results</b>					
EBITDA *	1,014	1,129	253	(986)	1,410
Depreciation and amortisation	(463)	(295)	(39)	-	(797)
Interest expense	(13)	(19)	-	(94)	(126)
Interest income	5	1	-	-	6
	543	816	214	(1,080)	493
Share of profits of associates	-	4	-	-	4
Profit before tax	543	820	214	(1,080)	497
Tax expense	(147)	(39)	(10)	-	(196)
<b>Profit for the period</b>	<b>396</b>	<b>781</b>	<b>204</b>	<b>(1,080)</b>	<b>301</b>
<b>Net profit margin</b>	<b>2.2%</b>	<b>4.3%</b>	<b>3.9%</b>		<b>0.7%</b>
<b>Assets and Liabilities</b>					
Segment assets	30,817	39,261	3,549	2,889	76,516
Investments in associates	-	615	-	-	615
Segment liabilities	4,957	6,304	1,854	12,762	25,877
<b>Other Segment Information</b>					
Expenditures for non-current assets **	575	159	55	-	789
Other non-cash items:					
Bad trade receivables written off	25	8	-	-	33
Gain on disposal of property, plant and equipment	-	(6)	-	-	(6)
Property, plant and equipment written off	-	4	-	-	4
Allowance for					
- doubtful trade receivables	261	34	4	-	299
- inventory obsolescence	-	54	-	-	54
Change in fair value less estimated point-of-sale costs of breeder stocks	10	-	-	-	10

(b) **Geographical segments**

Geographical segments are analysed by four principal geographical areas, namely Singapore, Asia, Europe and Others (i.e. the rest of the world).

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers which the sales are made to regardless of where the sales originate. Segment non-current assets and total assets are based on the geographical location of the assets.





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13 **SEGMENT INFORMATION (cont'd)**

(b) **Geographical segments (cont'd)**

Group	Revenue		Segment non-current assets		Segment assets	
	6 months ended 30 Jun		6 months ended 30 Jun		6 months ended 30 Jun	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	11,190	11,440	15,375	16,618	54,630	56,874
Other Asian countries	21,012	22,433	2,669	2,265	21,051	19,301
Europe	4,967	4,692	377	341	377	341
Others	3,626	3,202	-	-	-	-
<b>Total</b>	<b>40,795</b>	<b>41,767</b>	<b>18,421</b>	<b>19,224</b>	<b>76,058</b>	<b>76,516</b>

(c) **Major customers**

There is no customers contributing more than 10 percent to the revenue of the Group.

14 **BREAKDOWN OF REVENUE**

Group	Fish \$'000	Accessories \$'000	Plastics \$'000	Total \$'000
<b>2Q 2015</b>				
Singapore (including domestic sales & sales to Singapore)	974	1,934	2,733	5,641
Overseas (including export to & sales in overseas)	6,796	7,455	134	14,385
<b>Total revenue</b>	<b>7,770</b>	<b>9,389</b>	<b>2,867</b>	<b>20,026</b>
<b>2Q 2014</b>				
Singapore	1,126	1,950	2,521	5,597
Overseas	8,059	7,397	16	15,472
<b>Total revenue</b>	<b>9,185</b>	<b>9,347</b>	<b>2,537</b>	<b>21,069</b>
<b>6 months ended 30 Jun 2015</b>				
Singapore (including domestic sales & sales to Singapore)	1,974	3,761	5,455	11,190
Overseas (including export to & sales in overseas)	14,824	14,644	137	29,605
<b>Total revenue</b>	<b>16,798</b>	<b>18,405</b>	<b>5,592</b>	<b>40,795</b>
<b>6 months ended 30 Jun 2014</b>				
Singapore	2,319	3,976	5,145	11,440
Overseas	15,991	14,274	62	30,327
<b>Total revenue</b>	<b>18,310</b>	<b>18,250</b>	<b>5,207</b>	<b>41,767</b>

**BY ORDER OF THE BOARD**

Kenny Yap Kim Lee  
Executive Chairman and Managing Director  
16 July 2015